The Empowered Committee considers the proposals selected on the basis of criteria prescribed under the Scheme.

Crisis in Indian Tea Industry

†1945. SHRI P.K. MAHESHWARI: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether there is any decline in the demand of Indian tea in the international market;

(b) whether the industry is suffering from a crisis;

(c) if so, the details thereof;

(d) the steps Government propose to improve the condition of the tea industry; and

(e) the steps being taken by Government to improve the quality and productivity of tea?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) There was a decline in the demand for Indian tea in the international market during the last few years. However, during the first quarter of the current financial year 2004-05, tea exports from India were higher at 41.46 million kgs. as compared to 30.23 million kgs. during the corresponding period of 2003-04.

(b) and (c) The Indian tea industry has been passing through a period of depressed prices over the past five years. This continuous fall in prices of tea, coupled with high costs of production, sluggish rate of growth of domestic demand and fall in exports have adversely affected the viability of tea gardens, particularly the medium sized and financially weak, resulting in closure/abandonment of some tea gardens in the country. The industry is also beset with long term problems like old age of the plantations, worn-out machinery in the processing factories and poor infrastructure facilities.

(d) Several steps have been taken by the Government to improve the condition of the Indian tea industry. These include setting up of **a** special fund equivalent to collections by way of additional duty of excise

†Original notice of the question was received in Hindi.

of Re. 1 per kg. on tea for the development, modernization and rehabilitation of tea plantation sector, formulation of a Special Tea Term Loan (STTL) for the tea sector which envisages restructuring/rephasing of irregular portion of outstanding term/working capital loans in the tea sector, implementation of a price sharing formula between small tea growers and manufacturers of tea *w.e.f.* 1.4.2004 with a view to ensure that the small growers get a reasonable share of the price obtained by the manufacturer for made tea, implementation of a price subsidy scheme for small tea growers for a four month period from Februrary to May 2004 etc. Besides, a number of developmental Schemes are being implemented by the Tea Board during the 10th Five Year Plan for enhancing productivity, quality and marketability of tea produced in the country under which financial and technical assistance is being provided for various plantation development activities like replanting, rejuvenation, creation of irrigation facilities etc.

(e) The focus during the Tenth Plan period is on the improvement of the quality and productivity of tea and the development schemes of the Tea Board have been re-oriented with this objective. Tea Board is also implementing a new scheme of Quality Upgradation and Product Diversification during the Tenth Plan period under which subsidy is provided for modernization of the processing factories etc. For productivity improvement, subsidy is being provided by the Tea Board for renovation of old tea bushes by way of replanting, replacement planting, rejuvenation pruning and Consolidation through in filling, creation of irrigation facilities etc. Tea Board is also orgainsing training programmes for imparting training on quality and productivity improvement measures to both small and large growers. The import duty on items of machinery used to improve productivity and quality of tea, including value addition, has been reduced to an all inclusive rate of 5%.

Plight of industries in Madhya Pradesh

†1946. SHRI P.K. MAHESHWARI: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether industries and business in Madhya Pradesh is in bad shape;

(b) if so, the details thereof; and

---

†Original notice of the question was received in Hindi.

.